

Friday, 11th December, 1981.

A generally weaker currency and comments in the press about the future course of interest rates had a depressing effect on the Gilt-Edged market. Prices opened showing losses of $\frac{1}{2}$ point throughout the list and although conditions were quiet the short end of the market suffered persistent selling. Despite one or two attempts at rallying, prices drifted generally easier throughout the day showing at their worst falls of up to $1\frac{1}{8}$. This followed the sharply higher Treasury Bill rate which encouraged further selling of shorts. The long market saw little trade but fell in line with the shorter stocks. At the close prices rose just above their worst, thereby reducing the overall loss to $\frac{7}{8}$.

The Industrial market opened narrowly mixed in quiet trading conditions. Prices drifted lower during the day on lack of institutional buying. London and Overseas Freighters remained firm following the announcement that talks are continuing with the Far Eastern Company that increased its shareholding during a 'dawn raid' last Tuesday. Town and City Properties were in demand on further consideration of yesterday's interim results. Grand Metropolitan were dull on rumours of a Berni-Inn sell-off. Kaffirs remained steady throughout the day as the bullion price firmed.

Financial Times Index (3.00 p.m.) 520.6 (down 4.9)

C.N.D.

and

Sales and Purchases

NIL

BANK